



CONNECTICUT

TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
BY
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
REGARDING

SB-910, AAC AN EMPLOYEE ACCESS TO PERSONNEL FILES;
SB-1074, AAC WORKERS' COMPENSATION AND LIABILITY FOR HOSPITAL SERVICES;
SB-1075, AAC CONSTRUCTION SERVICES AND THE REPORTING OF NONWAGE
PAYMENTS

BEFORE THE
LABOR & PUBLIC EMPLOYEES COMMITTEE
MARCH 14, 2013

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut has series concerns with SB-910 and opposes the bill as currently drafted. While on its face this legislation may appear to simply permit employees and former employees the right to copy their personnel files and requires employers to provide copies of any documented discipline in their personnel file, NFIB is concerned that there could be far greater implications from this legislation, such as the potential erosion of "at will" employment in Connecticut. This legislation is unnecessary, could result in additional litigation for businesses, and particularly for small businesses that do not have a full-time human resources staff, compliance would be unduly burdensome. For example, what happens if the owner is on vacation and can't allow a former employee to inspect or copy their personnel file within three business days? The "reasonable time" under existing law is a much more flexible and business-friendly standard.

Small business owners know that their employees are their most valuable resource, and they work hard to train and retain employees by creating a comfortable workplace and rewarding them for a job well done. However, government rules and regulations are making labor issues more complicated than ever, and SB-910 is yet another example of this.



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It is important to note that small businesses operate differently than large businesses; they do not have a human resources department to track the changing standards and mandates that impact their workforce and workplace. NFIB urges the legislature to simplify employment laws and processes for small businesses, eliminate burdensome mandates and prevent the expansion of cumbersome regulations that punish the small businesses that create the majority of Connecticut's jobs. Provisions such as those contained in SB-910 run contrary to this goal, opening up employers to the potential for increased frivolous litigation, and potentially hampering the ability of small businesses to make legitimate personnel decisions.

NFIB/Connecticut supports the intent behind SB-1074. Connecticut's small businesses are already burdened with the high costs associated with workers' compensation insurance, in addition to rising unemployment costs, and high taxes. Medical costs are obviously a major driver of workers' compensation costs to small employers, and employers and carriers should be able to negotiate with medical providers over charges. Further adding to employers' workers' compensation costs makes it difficult for small businesses to focus on job retention and growth.

NFIB/Connecticut opposes SB-1075. This legislation is unnecessary and will further burden small businesses engaged in the broad array of "construction services" as defined in the bill. Small business owners continuously cite problems complying with burdensome government regulations, including "paperwork", and specifically cite "state and local paperwork" burdens. (See 2012 "Small Business Problems & Priorities", NFIB Research Foundation). In 2012, this problem ranked 16th among all small business problems, up five places since 2008, and nearly 20% of all small business owners deemed this problem as "critical". This problem equates to time and out-of-pocket costs for a small business owner. For example, consider the case of a subcontractor who worked for a general mechanical contractor; they would have to delineate material and labor costs, and even fabrication labor if the general buys something (like a tank or metal stand) from someone who fabricates those things. This would create a paperwork nightmare for small businesses that would have to breakdown payments to essentially every vendor and as such this bill would have far reaching implications for many small businesses.

Thank you for your consideration of NFIB's comments.